



8011-01p
SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-548, OMB Control No. 3235-0609]

Proposed Collection; Comment Request; Extension: Regulation S-AM

Upon Written Request, Copies Available From:
Securities and Exchange Commission
Office of FOIA Services
100 F Street, NE
Washington, DC 20549-2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (“PRA”) (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Regulation S-AM (17 CFR Part 248, Subpart B), under the Fair Credit Reporting Act (15 U.S.C. 1681 *et seq.*) (“FCRA”), the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*), the Investment Company Act of 1940 (15 U.S.C. 80a-1 *et seq.*), and the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 *et seq.*). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Regulation S-AM implements the requirements of Section 624 of the FCRA (15 U.S.C. 1681s-3) with respect to investment advisers and transfer agents registered with the Commission, as well as brokers, dealers and investment companies (collectively, “Covered Persons”). Section 624 and Regulation S-AM limit a Covered Person’s use of certain consumer financial information received from an affiliate to solicit a consumer for marketing purposes, unless the consumer has been given notice and a reasonable opportunity and a reasonable and simple method to opt out of such solicitations. Regulation S-AM potentially applies to all of the approximately 21,896 Covered Persons registered with the Commission, although only approximately 12,262 of them have one or more corporate affiliates, and the regulation requires only approximately 2,190 to provide consumers with an affiliate marketing notice and an opt-out opportunity.

The Commission staff estimates that there are approximately 12,262 Covered Persons having one or more affiliates, and that they each spend an average of 0.20 hours per year to review affiliate marketing practices, for, collectively, an estimated annual time burden of approximately 2,452 hours at an annual internal compliance cost of approximately \$1,444,228. The staff also estimates that approximately 2,190 Covered Persons provide notice and opt-out opportunities to consumers, and that they each spend an average of 7.6 hours per year creating notices, providing notices and opt-out opportunities, monitoring the opt-out notice process, making and updating records of opt-out elections, and addressing consumer questions and concerns about opt-out notices, for, collectively, an estimated annual time burden of approximately 16,644 hours at an annual internal compliance cost of approximately \$3,599,484. Thus, the staff estimates that the collection of information requires a total of approximately 12,262 respondents to incur an estimated total annual time burden of approximately 19,096 hours at a total annual internal cost of compliance of approximately \$5,043,712.

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing by **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION OF THIS NOTICE IN THE FEDERAL REGISTER]**.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o John Pezzullo, 100 F Street, NE, Washington, DC 20549, or send an e-mail to: PRA_Mailbox@sec.gov.

Dated: August 17, 2022.

Jill M. Peterson,
Assistant Secretary.

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